



CITY OF LODI COUNCIL COMMUNICATION

IM

AGENDA TITLE: Authorize the City Manager to enter into exclusive negotiations with Professional Apartment Management (PAM) Companies to develop an affordable housing project.

MEETING DATE: October 3, 2007

PREPARED BY: Community Improvement Manager

RECOMMENDED ACTION: Authorize the City Manager to enter into exclusive negotiations with PAM Companies to develop an affordable housing project.

BACKGROUND INFORMATION: By 2004, the City of Lodi had been notified by Union Pacific Railroad (UP) that they were interested in selling of a group of parcels along East Lockeford Street, referred to as the Kentucky House Railroad line. The City has first right of refusal before UP can put that land on the market.

The City desired a portion of those parcels to allow for future expansion of the right-of-way along East Lockeford Street. There was also staff interest to explore the feasibility of an affordable housing project in that area. Initial discussions were held and staff felt that this site represented an opportunity.

A Request For Proposals (RFP) was developed and distributed to further explore the feasibility of an affordable housing project. In October of 2006, the Community Development Department distributed that RFP to 13 affordable housing developers throughout Northern California, inviting them to submit proposals for the development of an affordable housing project on a 4.587 acre site located along Lockeford Street, between Washington Street and Cherokee Lane.

The RFP for what was originally titled the Kentucky House Affordable Housing Project, identified key objectives for the project include community compatibility; ownership affordability targeted primarily to the 80% of median income level or below; high quality design and materials; and sustainable design. The RFP also asked for proposals that demonstrate strong experience with affordable housing development and showed a collaborative approach to working with the community.

While the RFP did identify a preference for owner-occupied housing, it did invite developers to identify other preferred types of housing with some rationale for their proposal, and it stated that it may be possible to target rental housing for seniors only.

The following three affordable housing developers responded to the RFP:

- Visionary Builders – Stockton
- Eden Housing – Hayward
- PAM Companies – Lodi

APPROVED:

Blair King, City Manager

Of these three developers, a total of **5** different scenarios were submitted, as both Visionary Builders and Eden Housing provided 2 scenarios each. These proposals covered a range and mix of housing tenure, including owner-occupied, multi-family rental and senior-rental units.

The project cost and financing among these proposals also varied. In the RFP, the City's contribution to this project was identified at \$1.2 million, coming from a current allocation of CDBG funds and a balance of both CDBG and HOME fund program income from our existing housing-assistance programs. Both Eden Housing and Visionary Builders contained funding gaps, which would need an additional subsidy from the City beyond the \$1.2 million already committed, to meet their total project costs. The proposal from the third developer, PAM Companies, requested no additional funding beyond the City's stated contribution.

The City Council established a special review committee to value the proposals comprised of two City Council members, one Planning Commissioner, and one Lodi Improvement Committee member. Each developer presented their proposals in public meetings before the Affordable Housing Proposal Review Committee. Through the course of the review of each developer's proposal, Staff also provided background information on the area surrounding the proposed development site, including comparative crime figures and demographics. Staff also provided a review of the preliminary proformas that were provided by each developer.

At the completion of those proposal meetings, site visits were made to projects that the three developers had developed or were in the process of developing, in order to better judge their product and capabilities.

Once the site visits were complete, the Affordable Housing Proposal Review Committee met to discuss their observations to that point and it was decided that each developer would have an opportunity to refine and resubmit their proposal to meet the following criteria:

- Senior Rental housing units;
- Single-story construction;
- No funding gap;
- Address concerns of providing and maintaining a safe environment for seniors;
- Demonstrate ability (from previous projects) to effect positive changes in troubled neighborhoods.

Once those revisions were submitted, Staff completed a review and the comparative results are noted on the attached Exhibit A. The review of the revised proposals found that all three developers responded accordingly to provide a single-story, senior rental housing project with adequate security features to provide a safe environment for senior residents. All three developers also provided supporting documentation regarding their experience and abilities to effect positive changes in trouble neighborhoods.

However, only one developer, PAM Companies, was able to meet the criteria regarding no funding gap in their project financing. While Visionary Home Builders listed no funding gap in their revised proposal, staffs review noted that their funding proposal called for a HUD Section 108 Loan in the amount of \$2,172,441. It was identified that the Section 108 Loan program is a loan guarantee provision of the Community Development Block Grant (CDBG) program that is available only to cities and urban counties. Any loan funds from the Section 108 Program would be guaranteed by the city's or urban county's pledge of future CDBG allocations. As such, this would not be a funding source that the developer could claim and would instead be considered an additional subsidy from the City of Lodi. Therefore, Visionary Home Builders proposal had a substantial funding gap.

Eden Housing's revised proposal identified a substantially lower funding gap of \$380,488.00, but as they were not present to make their presentation at the Review Committee's last meeting, their proposal was not considered.

At the completion of their review of the revised proposals, there was consensus from the Committee members that one of the developer, PAM Companies, put forth the best example of a quality, single-story senior housing project and that the site visit to that developer's property in Ceres earlier on in the review process was a prime example of the product desired for this site. While both of the final two developers provided documentation of their experience and track record of effecting change in troubled neighborhoods and their proposals provided security features intended to provide a safe environment for seniors, the key factors in PAM Companies' favor were the lack of a funding gap and the extensive collaborative effort that was featured in their proposal.

Therefore, with a vote of 3 -1, the Affordable Housing Proposal Review Committee approved a motion to forward their recommendation to the City Council that Professional Apartment Management (PAM) Companies, be selected as the developer of an affordable senior housing development on the railroad property site.

A summary of PAM Companies' proposal is as follows:

Project Description

- 71 Units
 - 56 one-bedroom units
 - 15 two-bedroom units
- Gated property.
- 24-hour on-site management
- Motion detector lighting.
- Security cameras.
- Collaborative effort:
 - F&M Bank,
 - LOEL Senior Center,
 - Housing Authority
 - ByDesign Solutions

Financing

• Project Cost	\$11,535,422
• Sources	
◦ Lender	\$1,386,089
◦ City of Lodi	\$1.2 million
◦ Affordable Housing Program (AHP) via F&M Bank	\$500,000
◦ CHDO Funds via SJ Housing Auth./Villa Real	\$250,000
◦ Deferred Developer Fee	\$90,209
◦ <u>General/Limited Partners – 9% Tax Credit Funding</u>	<u>\$8,109,124</u>
TOTAL	\$11,535,422

PAM Companies revised proposal features a total of 15 buildings in a garden-style setting across the project site, with a total of 116 parking spaces, 80 of those covered. The building exteriors will incorporate a stone wall design and porch areas. Each unit within the project will include a washer and dryer and will be equipped with efficient EnergyStar appliances.

The proposal from the PAM Companies also features additional services for senior residents through their collaboration with other agencies and/or service providers. The LOEL Senior Center will expand their services to a satellite center at this facility, the Housing Authority will provide housing assistance programs to the senior residents and ByDesign Solutions will provide financial education, budgeting and tax services to residents at this site.

In addition, PAM Companies has entered into a purchase agreement with the owner of an adjacent property on Rush Street. The acquisition of this additional property, which currently has a vacant, substandard building upon it, will eliminate an unsightly condition and allow for additional units on the project site.

It *is* important to note that the financial figures provided with each proposal are preliminary at this phase of the process. As the railroad will need to have the property re-appraised and a Phase 2 environmental review will be needed to determine any potential contamination upon the properties involved in this project prior to the acquisition, the financials provided by the developer will need to be adjusted accordingly. Regardless of the outcome of the appraisal and environmental review of the properties, the City's commitment to this project remains at the **\$1.2** million stated in the original proposal.

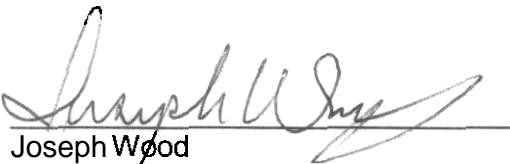
RECOMMENDATION

It is a customary practice in affordable housing projects that the city enters into exclusive negotiations with the selected developer. The purpose of this period of negotiations is to refine the details of the project and financing. This includes obtaining a current appraisal of the land and negotiating the purchase price, including options. During this negotiation period, the developer will also be getting the required entitlements from the city such as rezone, planned development, CEQA, and will be preparing the required applications for tax credit financing.

The exclusive negotiation period for this project should run through March of 2009. In consideration of this joint effort with the City of Lodi, PAM Companies will make a good faith deposit of \$150,000, which will be used to cover development costs during the negotiation period.

FISCAL IMPACT: N/A

FUNDING AVAILABLE: N/A


Joseph Wood
Community Improvement Manager

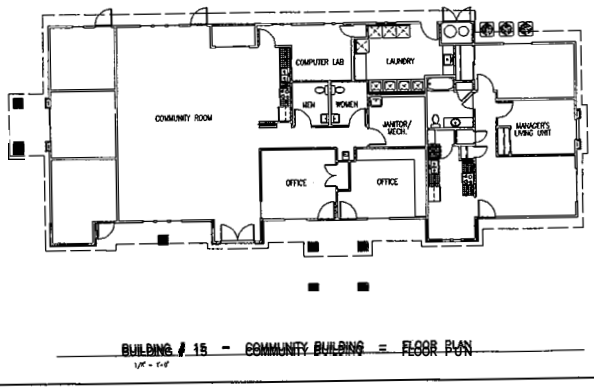
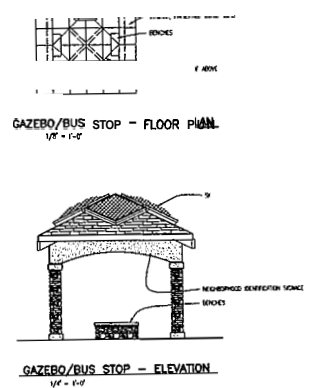
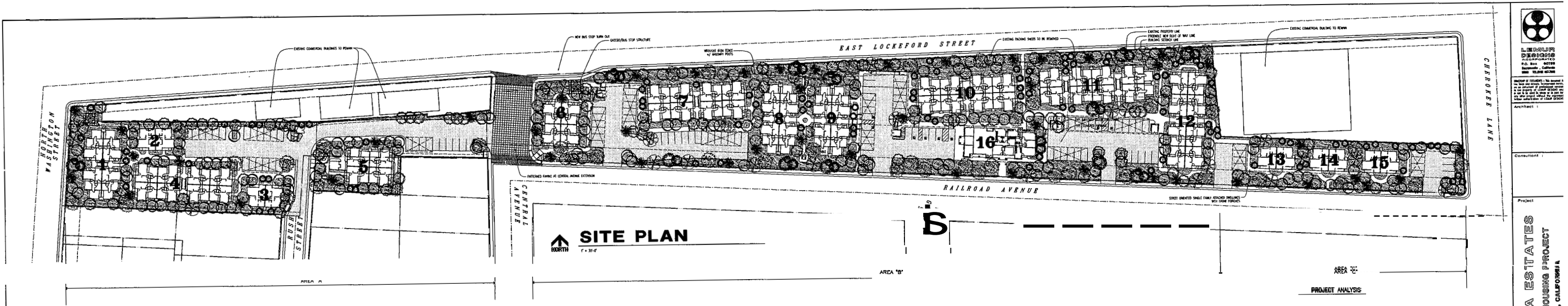
Concurred: 
Randy Hatch
Community Development Director

Attachments

Final Proposal Evaluation Summary
Site Plan
Elevations

DEVELOPER	EDEN HOUSING	PAM COMPANIES	VISIONARY HOME BUILDERS
Project Description	84 Units 600 sq. ft. – 1 bedroom	71 Units 56 – 1-bedroom 15 – 2-bedroom	63 Units 87% - 1-bedroom 13% - 2-bedroom
Financing			
Project Cost	\$21,040,239	\$11,535,422	\$14,426,421
Sources	City of Lodi \$1.2 million AHP \$504,000 HUD Capital Adv. \$11,003,580 Eden Housing Inv. \$10,000 Tax Credits \$7,942,171	Lender \$1,386,089 City of Lodi \$1.2 million AHP \$500,000 CHDO \$250,000 Deferred Dev. Fee \$90,209 Tax Credits \$8,109,124	Lender \$709,240 City of Lodi \$1.2 million AHP \$315,000 CHDO \$501,728 HUD 108 Loan \$2,172,441 Deferred Dev. Fee \$87,310 Tax Credits \$9,440,701
Cost per Unit	\$250,479	\$162,471	\$228,991
Funding Gap	\$380,488	None	None identified in their proposal, but HUD 108 Loan <u>should</u> be considered additional subsidy from City of Lodi, and therefore a gap of \$2,172,441.
Site Evaluations	<ul style="list-style-type: none"> Provides driveway easement off of Washington St. to access existing housing. Isolates 9-units in two buildings between Washington & Rush Streets 	<ul style="list-style-type: none"> Does not provide driveway easement to access existing housing between Rush and Washington Streets. Does incorporate an additional vacant, dilapidated property located on Rush Street. 	<ul style="list-style-type: none"> Does not provide driveway easement to access existing housing between Rush and Washington Streets.

NOTE: Eden Housing failed to attend the scheduled meeting and therefore their proposal was not considered. As their proposal also had an identified funding gap, it is not likely that their proposal would have garnered support from the Committee.



PROJECT ANALYSIS		
BUILDING AREA BREAKDOWN - AREA A		
BUILDING # 1 - (4) 10' Units Each = (4) Units		3,464 S.F.
(4) TWO BEDROOM UNITS - 10' x 600 S.F. ea.		
BUILDING # 2 & 3 - (2) 14' Units Each = (4) Units		2,680 S.F.
(4) ONE BEDROOM UNITS - 14' x 665 S.F. ea.		
BUILDING # 4 - (8) 14' Units Each = (8) Units		5,320 S.F.
(8) ONE BEDROOM UNITS - 14' x 665 S.F. ea.		
BUILDING # 5 - (4) 14' Units Each = (4) Units		2,680 S.F.
(4) ONE BEDROOM UNITS - 14' x 665 S.F. ea.		
(1) LAUNDRY & MAINTENANCE		288 S.F.
(20) LIVING UNITS		14,392 S.F.
BUILDING AREA BREAKDOWN - AREA B		
CRUISER LANE AREA = 1,362.34 SQ. FT. (3.37 Acres)		
BUILDING # 6 - (4) 14' Units Each = (4) Units		2,680 S.F.
(4) ONE BEDROOM UNITS - 14' x 665 S.F. ea.		
BUILDING # 7, 10 & 12 - (8) 14' Units Each = (24) Units		19,968 S.F.
(24) ONE BEDROOM UNITS - 14' x 665 S.F. ea.		
BUILDING # 11 - (8) 14' Units Each = (8) Units		5,320 S.F.
(8) ONE BEDROOM UNITS - 14' x 665 S.F. ea.		
(2) TWO BEDROOM UNITS - 14' x 665 S.F. ea.		1,372 S.F.
BUILDING # 8 & 9 - (4) 14' Units Each = (8) Units		5,320 S.F.
(8) TWO BEDROOM UNITS - 14' x 665 S.F. ea.		
BUILDING # 13 - COMMUNITY BLDG. w/ 111 "SOFT" UNITS		874 S.F.
(1) TWO BEDROOM UNIT - 14' x 665 S.F. ea.		
(1) OFFICES, LAUNDRY, LOUNGE, STORAGE & MAINTENANCE		3,049 S.F.
(45) LIVING UNITS		35,313 S.F.
BUILDING AREA BREAKDOWN - AREA C		
CRUISER LANE AREA = 25,518 SQ. FT. (0.49 Acres)		
BUILDING # 13, 14 & 15 - (2) 14' Units Each = (6) Units		3,990 S.F.
(6) ONE BEDROOM UNITS - 14' x 665 S.F. ea.		
(8) LIVING UNITS		5,990 S.F.
(71) TOTAL UNITS		53,995 S.F.
PARKING		
STANDARD SPACES		98
H.C. TWO SPACES		3
H.C. STANDARD SPACES		3
TOTAL SPACES PROVIDED		107
(INCLUDED COVERED SPACES PROVIDED)		72

L. J. DRISCOLL & ASSOCIATES, INC.
REGISTERED ARCHITECTS
1001 N. 10TH STREET
SUITE 100
LOS ANGELES, CALIFORNIA 90012
TEL: 213-462-0000
FAX: 213-462-0001

Architect: _____

Consultant: _____

Project: _____

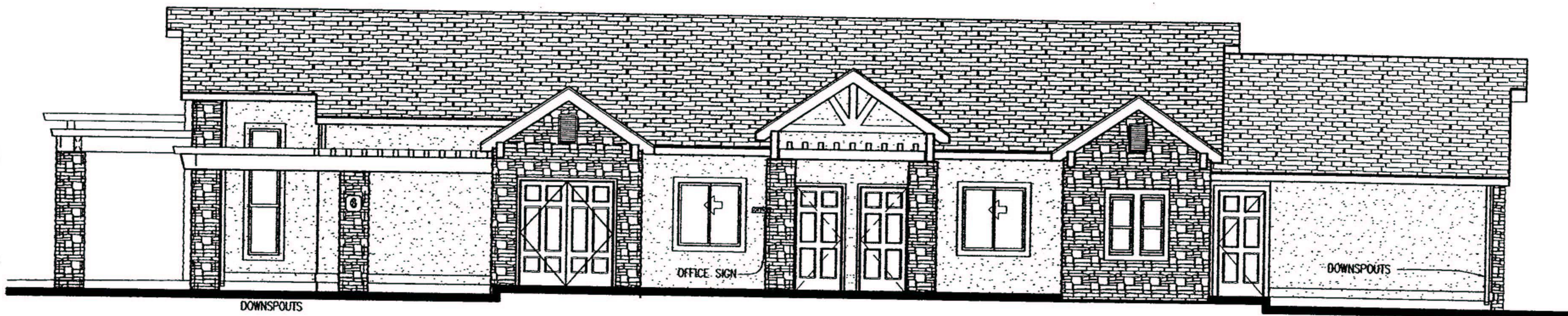
CORVINA ESTATES
A 61 UNIT HOUSING PROJECT
LOS ANGELES, CALIFORNIA

Revisions		
No.	Date	Description

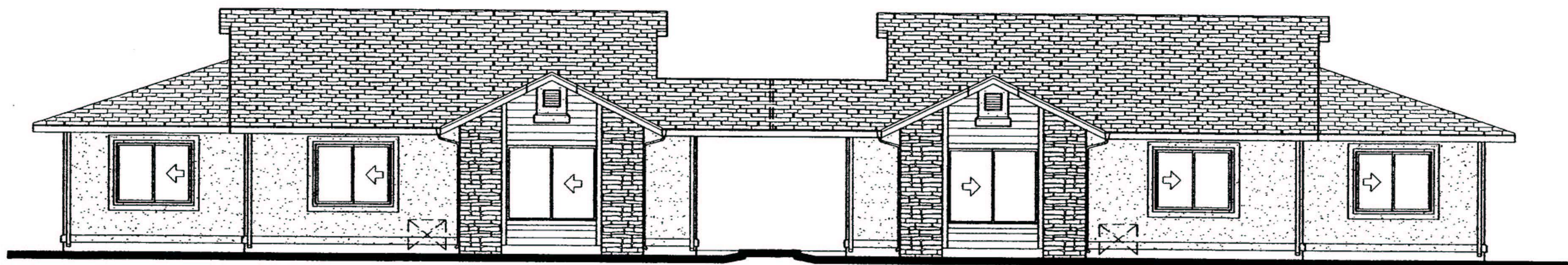
Drawn	_____
Checked	_____

Drawing Title: **SITE PLAN**
Community Building
SIXTEEN

Date: August 1, 2007
Drawing: **A1.1**
Sheet 7 of 9



STREET SIDE ELEVATION



TYPICAL FRONT ELEVATION

RAILROAD AVENUE SENIOR HOUSING PROJECT

EXCLUSIVE FEASIBILITY STUDY PERIOD AGREEMENT

This Exclusive Feasibility Study Period Agreement ("Agreement") is entered into between the City of Lodi, a municipal corporation ("City") and PAM Development, Inc., a California corporation ("Affordable Housing Developer"), as of October ____, 2007.

Whereas, City desires to encourage the development of an affordable senior housing project on properties located at 232 N. Washington, 242 Rush Street and 420 E. Lockeford Street (collectively "Property"), as detailed in the Exhibit A ("Project");

Whereas, City does not currently own but is considering allocating \$1.2 million towards the purchase of the Property and contributing said monies without cost toward the development of the Project;

Whereas, Affordable Housing Developer is only willing to expend the resources necessary to explore the development of the Project if City agrees not to contribute or transfer the Property to a third party during the Feasibility Study Period.

Now, therefore the parties hereby agree as follows:

- 1) In the event City actually acquires the Property, City agrees not to transfer the Property to a party other than Affordable Housing Developer for a period of 18 months following the execution of this Agreement ("Feasibility Study Period").
- 2) During the Feasibility Study Period Affordable Housing Developer shall make application to City for entitlements no later than January 11, 2008, and City will obtain an appraisal of the Property and shall enter into negotiation to acquire the Property no later than January 31, 2008.
- 3) Affordable Housing Developer's Deposit: Affordable Housing Developer will deposit security in the amount of \$150,000 with City in a form acceptable to the City Attorney as earnest money. Any costs incurred by City towards the Project during the Feasibility Study Period will be charged to and reimbursed from this security deposit. The Affordable Housing Developer will be provided with documentation of those transactions as they occur. If Affordable Housing Developer begins construction of the Project, the security deposit (with interest actually earned) will be applied toward the Project's development costs as set forth below.
 - a) Affordable Housing Developer shall provide certified invoices for Project development costs to the City's Finance Department for reimbursement. Affordable Housing Developer shall make its records available for audit by the City upon request for verification purposes.

b) The City's Finance Department will process and approve or deny all such requests and remit payment for approved invoices within 30 days of receipt until the security deposit is exhausted.

- 4) City agrees to negotiate in good faith exclusively with Affordable Housing Developer toward the transfer of the Property to Affordable Housing Developer for the development of the Project, for a period of **18** months following execution of this Agreement. Notwithstanding the above, City shall be under no obligation to actually acquire the Property.
- 5) This Agreement may not be assigned or transferred without the express written consent of City, which it may withhold in its absolute discretion.

IN WITNESS WHEREOF, the parties hereto, being in agreement with the terms of this writing, have set their hands as follows:

CITY OF LODI, a municipal corporation

PAM Development, Inc.
a California corporation

By _____
BLAIR KING
City Manager


By _____
DAVID J. MICHAEL
Chief Executive Officer

ATTEST:

RANDI JOHL
City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney

By _____
JANICE D. MAGDICH
Deputy City Attorney 

RESOLUTION NO. 2007-198

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE AN
EXCLUSIVE FEASIBILITY STUDY PERIOD AGREEMENT
WITH PAM DEVELOPMENT, INC. FOR RAILROAD AVENUE
SENIOR HOUSING PROJECT

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute the Exclusive Feasibility Study Period Agreement with PAM Development, Inc., a California corporation, for the development of an affordable housing project known as the "Railroad Avenue Senior Housing Project," attached hereto marked Exhibit A, and further authorize the City Manager to amend Exhibit A to call for a deposit in an amount and to be paid at a time within the City Manager's discretion.

Dated: October 3, 2007

I hereby certify that Resolution No. 2007-198 was passed and adopted by the Lodi City Council in a regular meeting held October 3, 2007, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, and
Mayor Johnson

NOES: COUNCIL MEMBERS – Mounce

ABSENT COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL
City Clerk

RAILROAD AVENUE SENIOR HOUSING PROJECT
EXCLUSIVE FEASIBILITY STUDY PERIOD AGREEMENT

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Whereas, the City does not currently own but is considering putting \$1.2 million towards the purchase of the Property and contributing it without cost toward the development of the Project;

Whereas, Affordable Housing Developer is only willing to expend the resources necessary to explore the development if the City agrees not to contribute the Property to a third party during the Feasibility Study Period.

Now, therefore the parties hereby agree as follows:

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- 2) During the Feasibility Study Period Affordable Housing Developer shall make application to the City of Lodi for entitlements by January 11, 2008, and the City will obtain an appraisal of the properties and shall enter into negotiation to acquire the properties by January 31, 2008.
- 3) Affordable Housing Developer's Deposit: Affordable Housing Developer will deposit security in the amount of \$150,000 with the City in a form acceptable to the City Attorney as earnest money. If Affordable Housing Developer begins construction of the Project, the deposit (with interest actually earned) will be applied toward the Project's development costs as set forth below.
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CITY OF LODI, a municipal corporation _____

BLAIR KING
City Manager

ATTEST:

RANDI JOHL
City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney

Railroad Avenue Affordable Housing Project



Wednesday, October 3, 2007

Project History

- ❑ City notified by Union Pacific Railroad (UP) that they would be selling off their parcels located along East Lockeford Street.
 - Old Kentucky House Rail Line
- ❑ City has first right of refusal before land can be put on the market.
- ❑ Interest
 - Widening of Lockeford Street
 - Potential for Affordable Housing Project

Project History

- ❑ RFP developed to explore feasibility of an affordable housing project.
 - Distributed to 13 affordable housing developers across Northern California.
 - Key Objectives in RFP
 - ❑ Community compatibility.
 - ❑ Affordability targeting 80% median income or below.
 - ❑ High quality design and materials.
 - ❑ Sustainable design.
 - ❑ Looked for strong experience from developers and collaborative approach in working with community.

Project History

- Additional Details of RFP
 - Identified preference for owner-occupied housing
 - Allowed developers to identify other preferred types of housing with some rationale for their proposals.
 - Possible to target rental housing for seniors.
- Identified City's Contribution to Project
 - \$1.2 Million CDBG/HOME Funds
- Distributed in October of 2006
 - Proposals received in December of 2006

Response to RFP

- ❑ Three Developers submitted proposals
 - Visionary Home Builders – Stockton
 - Eden Housing – Hayward
 - PAM Companies – Lodi

- ❑ Total of five different scenarios from these three proposals
 - Visionary & Eden – 2 each
 - PAM Companies - 1

Response to RFP

- ❑ Details of Proposals and Scenarios Varied
 - Mix of Housing Tenure
 - ❑ Owner-occupied/multi-family rental/senior rental
 - Financing/Project Costs
 - ❑ All proposed tax-credit financing, AHP funding
 - ❑ Funding gap identified in proposals from two developers
 - Visionary Home Builders and Eden Housing
 - ❑ PAM Companies identified no funding gap

Review of Proposals

- ❑ City Council formed Ad-Hoc Committee
 - 2 Council members
 - 1 Planning Commissioner
 - 1 Lodi Improvement Committee member
- ❑ Each Developer Made Presentations
 - Staff Provided Background Information
 - ❑ Comparative crime figures
 - ❑ Neighborhood demographics
 - ❑ Preliminary review of pro formas provided by developers

Review of Proposals

□ Site Visits

■ Eden Housing

- Project Sites in Fremont & Union City

■ Visionary Home Builders

- 4 Project Sites in Stockton

■ PAM Companies

- Project Sites in Ceres & Clayton

Detail of Site Visits

- Eden Housing
 - Adams Avenue Housing
 - Wisteria Place
 - Rosewood Terrace

Detail of Site Visits

- Visionary Home Builders
 - Diamond Cove II
 - Carrington Circle/Diamond Cove
 - Villa Montecito
 - Santa Fe Townhomes

Detail of Site Visits

- PAM Companies
 - Whitmore Oaks
 - Diamond Terrace

Committee Review & Discussions

- ❑ Senior Housing Became the Preference
 - Decision made to allow all 3 developers to refine and resubmit proposals to meet following criteria:
 - ❑ Single-story, Senior Rental Housing Units
 - ❑ No Funding Gap
 - ❑ Address Concerns of Safe Environment for Seniors
 - ❑ Demonstrate Abilities/Experience Effecting Positive Change in Troubled Neighborhoods

Resubmitted Proposals

- All 3 Developers Responded
- Eden Housing Failed to Appear
 - Their proposal not considered.
 - Contained funding gap, so not likely to be selected

Resubmitted Proposals

- Visionary Home Builders
 - 63 single-story, senior rental units.
 - Fenced and secured property.
 - Provide more than enough documentation of their experience transforming troubled neighborhoods.

Resubmitted Proposals

□ Visionary Home Builders

- Proposal showed no funding gap.
 - Their financing included a \$2,172,441 HUD 108 Loan
 - 108 Loan Program is a mechanism for Entitlement Cities and Urban County jurisdictions to borrow against future CDBG allocations.
- As such, it would be an additional subsidy from the City of Lodi, and therefore a substantial funding gap.

Resubmitted Proposals

□ PAM Companies

- 71 single-story, senior rental units.
- Fenced and secured property.
- Provided documentation of their experience in Southern California of entering and changing troubled communities.
- No funding gap.
- Includes additional Rush Street property.

Committee Recommendation

□ Consensus From Committee

- PAM Companies had best example of single-story senior housing.
 - Visit to their Ceres site was good example
- Both developers provided documentation of their experience in troubled communities and in addressing security for the property.
- PAM Companies
 - No Funding Gap
 - Extensive collaborative effort

Committee Recommendation

- ❑ On Motion and Vote of 3-1
 - Forward recommendation to City Council to select PAM Companies as the developer for a senior affordable housing development project.
- ❑ Selecting a Developer
 - Customary that the City enter into exclusive negotiations with developer.
 - ❑ Defined period of time
 - ❑ Refine details of project and financing
 - ❑ Initiate negotiations with UP for acquisition
 - Re-Appraisal & Phase 2 Environmental

Selecting a Developer

❑ Exclusive Agreement

■ Entitlements from City

- ❑ Rezone
- ❑ Planned Development
- ❑ CEQA

■ Tax Credit Financing

❑ Good Faith Deposit

- Used to cover development costs of both developer and City during negotiation period.

End of Presentation

- ▣ Questions and Answers.

K-1

RAILROAD AVENUE SENIOR HOUSING PROJECT

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 - a) Affordable Housing Developer shall provide certified invoices for Project development costs to the City's Finance Department for reimbursement. Affordable Housing Developer shall make its records available for audit by the City upon request for verification purposes.

b) The City's Finance Department will process and approve or deny all such requests and remit payment for approved invoices within 30 days of receipt until the deposit is exhausted.

- 4) The City agrees to negotiate in good faith exclusively with Affordable Housing Developer toward the contribution of the Property to Affordable Housing Developer for the development of the Project, for a period of 18 months following execution of this Agreement. Notwithstanding the above, City shall be under no obligation to actually acquire the Property.
- 5) This Agreement may not be assigned or transferred without the express written consent of City, which it may withhold in its absolute discretion.

IN WITNESS WHEREOF, the parties hereto, being in agreement with the terms of this writing, have set their hands as follows:

CITY OF LODI, a municipal corporation

BLAIR KING
City Manager

ATTEST:

RANDI JOHL
City Clerk

APPROVED **AS TO FORM**:

D. STEPHEN SCHWABAUER
City Attorney

K-1

From: Debra Green [mailto:dgreen@greenpolackcompany.com]

Sent: Wednesday, October 03, 2007 4:11 PM

To: Randi Johl; Susan Hitchcock; Bob Johnson; JoAnne Mounce; Phil Katzakian; Larry Hansen

Cc: 'Tracy Williams'

Subject: Senior Housing Project

Dear Council Member

As a member of the Board of Directors of the LOEL Foundation I would like to solicit your support in the senior housing project on your agenda tonight. One of our primary missions at LOEL is to support and seek affordable and safe housing for seniors in our community. The Board of Directors of the LOEL Foundation believes the project as proposed by PAM will make a positive impact on the east side community in Lodi, as well as a catalyst for other similar improvement projects. One of the reasons we support the PAM project is because our city is home to their corporate offices and feel they will be diligent in making this a model senior community. Our Board of Directors have committed to providing services on site as well as potentially providing transportation services for seniors to utilize the existing services at the LOEL Center and Gardens. This project if approved at the city council meeting tonight should result in a win-win situation for the City of Lodi, the Senior Citizens of this community, and other east side Lodi residents.

Thank you in advance for your consideration and support in this project.

LOEL Foundation, Inc.

Debra S. Green
President

How to Improve the Lockeford Street Area in Conjunction with the Senior Housing Project


September 25, 2007

Overarching Objective – Enhance the appeal of the Eastside neighborhood as a place to live through housing rehabilitation, stores, parks, infrastructure, and safety.

The Senior Housing Project is an objective and a means to an end.

Streets and Sidewalk Improvements – The following are street and sidewalk projects completed or planned for the area:

- Lockeford Street Project Phase I – Stockton Street to Railroad tracks – remove railroad tracks, reconstruct or overlay street surface, and install traffic signal at Stockton Street. (project is contingent upon Council approval for use of Prop. 1B funds.) Second stage of Lockeford Street Project depends upon development of Lockeford property.
- Lodi Avenue Reconstruction – Railroad tracks to Cherokee Lane, community meetings underway for outreach. This project will seek to implement elements of the Eastside Mobility Access Plan (EMAP). Contingent upon Prop 1B funds.
- Adjacent Right-of-way – Development standards require full improvement of sidewalk, curbs, and gutter of streets adjacent to the property.
- Sidewalks – Public Works and Community Development will review the condition of the sidewalks between the proposed Senior Housing Project and the Loel Center and make recommendations with regard to sidewalk condition and a recommended pedestrian route between the Loel Center and the housing project. Also, improvements of sidewalks in the area could be a condition of approval for the development and will be explored. Over the past four years, the City has invested approximately \$143,790 per year in CDBG funds to construct handicap sidewalk ramps. This amount could be targeted in the area around the Senior Housing Project.

 **Safety** – One of the concerns raised has been the homeless issue at Lawrence Park. Two officers have been assigned to the park as a "Problem-Oriented Policing Project" (POP). In addition to the increased police presence, the following specific steps are being taken:

- 1) Individuals on probation are identified and observed and any offenses are reported to probation officers;
- 2) Zero tolerance for any violations such as possession of alcohol, possession of shopping carts, public intoxication, etc;
- 3) Anyone arrested in the park for misdemeanor violations, PD will request that the Court grant a Stay-Away Order for the park;
- 4) Bicycle racks have been installed to allow enforcement of a city ordinance which prohibits lying bicycles in the park (incorporated in the zero tolerance stance);
- 5) Citations for trespassing in the Mokelumne River area; and
- 6) Requests have been made to business owners to post their property for no loitering in the Cherokee Lane Victor Road area.

Transportation – The site is served by Fixed Route 5 with a stop at Lockeford and Calaveras Streets. A shelter was recently constructed at this stop. Dial-a-Ride is available. The Loel Center is served by Fixed Route 4. Currently, the City is updating its short-range transit plan and one of the issues that will be explored is providing more direct transit service between the proposed senior housing site and the Loel Center. In addition, the Council may want to require the management of the senior housing site to provide shuttle bus service.

Code Enforcement – Code Enforcement, with Council direction, could be targeted for property maintenance in the vicinity of the project and along Cherokee Lane. Specifically, sign enforcement along Cherokee Lane

Redevelopment – Redevelopment offers the greatest opportunity to proactively address issues of infrastructure and stimulate the economy in the vicinity of the Senior Housing Project.

The Project Itself – The project itself is a tool for revitalization of the area. It is new investment that will serve the entire Lodi area. It will improve the appearance of the area, provide an incentive for private investment to serve the needs of the new residents, and bring energy to the area with new residents.

Visionary Home Builders		RENT COMPARISON		PAM Companies	
Number of Units	Rent	% of AMI	Bedroom Size	Number of Units	Rent
14	\$270	30% of AMI	1 bedroom	3	\$265
2	\$325	30% of AMI	2 bedrooms	4	\$318
14	\$383	40% of AMI	1 bedroom	0	-
2	\$461	40% of AMI	2 bedrooms	0	-
0	-	45% of AMI	1 bedroom	14	\$434
14	\$496	50% of AMI	1 bedroom	35	\$491
13	\$609	60% of AMI	1 bedroom	4	\$604
1	\$732	60% of AMI	2 bedrooms	10	\$725

NOTE:

- The listed rents are after the allowed utility deductions for both developers.
- In partnering with the Housing Authority, PAM Companies' plan is to get 100% **Project-based Section 8** that will give the residents an edge by paying only 30% of their income towards rent.